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March 24, 2004

Lester Snow, Director  
Department of Water Resources  
1416 9<sup>th</sup> Street  
Sacramento, CA 95814

Dear Director Snow:

As you know, the Senate Rules Committee has scheduled a hearing on your confirmation as Director of the Department of Water Resources on April 14, 2004 at 1:30 p.m. in Room 113 of the State Capitol. We would like to receive a copy of your Form 700, Statement of Economic Interest and current resume as soon as possible. We also request that you sign and return the enclosed Authorization for Release of Information form.

Prior to the hearing, we would appreciate your written responses to the questions below to help provide background material that will elevate our discussion with you. Please respond by April 7, 2004, so committee members will have sufficient time to review the material before your confirmation hearing.

*Questions:*

- 1 Please provide us with a brief statement of goals. What do you hope to accomplish during your tenure as Director of the Department of Water Resources?
2. How are you participating in the governor's proposed review of governmental organization? What are your priorities for change or what boxes should be "blown up?"

**CALFED**

The CalFed Bay Delta program is the result of a State and Federal cooperative effort with local communities to improve water quality and reliability of California's water

supplies and to revive the San Francisco Bay Delta ecosystem. In 2000 the Record of Decision (ROD) specified, as an implementation commitment, the principle that CalFed program costs be paid by the beneficiaries of the program action.

*Questions:*

3. The ROD specifically calls for the establishment of user fees of \$35 million per year for ecosystem restoration. How and when do you propose to institute these user fees?
4. To date the Federal government has not provided it's share of the funding for CalFed. How can we have a viable restoration effort without the active participation of the Federal agencies?

## **NAPA AGREEMENT**

In 2003 officials from DWR and the Bureau of Reclamation met with state and federal water contractors. Out of this meeting came the Napa Agreement, a proposal to significantly increase the water exports from the Delta. On February 17, 2004, before a hearing of the Senate Committee on Agriculture and Water Resources, Interim Director Linda Adams testified that DWR would not agree to increase pumping to 8500 cfs until Delta water quality improves.

*Questions:*

5. Do you support her statement? If so, how much does water quality need to improve?

At that same hearing, Deputy Director Tom Glover testified that "the conditions in SB 1155 (Machado), which require that Delta water quality and environmental improvements occur before increased Delta pumping, appear to be consistent with the [CalFed] Record of Decision."

6. Do you support his statement? If not, how is it inconsistent with the ROD?
7. How do you propose to ensure that all stakeholders are fully involved and that their concerns are resolved prior to moving forward with any provisions of the Napa Agreement?
8. How long will it take to develop a preferred alternative that resolves the issues raised over the Napa Agreement?

9. Do you believe that resolving the concerns about the Napa Agreement will require revising any of the basic agreements reached at Napa? If so, which agreements may need revising?

### **CALFED Surface Storage**

The Bay-Delta Authority staff has indicated that the five surface storage projects under investigation will require at least \$41 million in the coming few years, but that only \$20 million is currently available for this purpose.

#### *Questions:*

10. How do you propose to proceed on the issue of surface storage? Will you need to reduce the number of projects under investigation, request project advocates to match public funds, or by some other means?
11. The ROD specifies that the financing for the integrated water storage requires the final cost allocation be based on the principle that the beneficiary pays. When and how do you propose to implement this allocation of costs?
12. Do you support eliminating funding for projects where the beneficiaries are not paying and there is no buyer for these projects?

### **CALFED Fish and Wildlife**

The CalFed ROD was designed to ensure continuous improvement in all areas, including fish and wildlife. However, since the CalFed ROD was signed, the Department of Interior has rewritten a key provision of the ROD in a manner that reduces the amount of water available to protect and restore fish and wildlife.

#### *Questions:*

13. Are you committed to ensuring that as CalFed moves forward, the program assures water resources for fish and wildlife restoration that are greater than the "baseline" level of protection in the ROD?
14. How do you propose to replace the water fish and wildlife restoration purposes lost?

### **San Joaquin River Restoration**

On February 18, 2004 Senators Burton, Kuehl and Sher sent a letter to Resources Secretary Chrisman regarding the San Joaquin Restoration Strategies Report. A draft,

non-public final report was produced a year ago but has not been released. The letter urged that the study be completed using the same scope and consultant.

*Questions:*

15. What steps are you taking to ensure the completion of the San Joaquin River Restoration Strategies Report? When can we expect the final report to be released?
16. What steps do you propose to take to ensure that the Upper San Joaquin River Storage Investigation is completed consistent with the CalFed ROD specifically, ensuring that groundwater storage is considered as an alternative to surface storage, and that the proposed project would restore the San Joaquin River?

## **CALSIM II**

CALSIM II is the model DWR uses to simulate how the Sacramento/San Joaquin river system operates. DWR uses it for a number of purposes, including determining SWP water delivery reliability, export capacity of the Delta under the Napa Agreement, evaluating how potential future surface storage projects would affect water reliability, etc. A recent peer review report of CALSIM II identified serious shortcomings of the model and its results.

*Questions:*

17. What do you intend to do to address the shortcomings identified in the peer review report?
18. As DWR Director, do you intend to hold off on making decisions based on CALSIM II results until such time as the shortcomings of CALSIM II are resolved? Why or why not?

## **CALIFORNIA WATER PLAN UPDATE**

By law, the California Water Plan "is accepted as the master plan which guides the orderly and coordinated control, protection, conservation, development, management and efficient utilization of the water resources of the state." The previous Water Plan update, B160-98, was subject to extreme criticism. In light of these criticisms, the legislature made numerous changes to the laws governing development of the Water Plan. In 2000, SB 1341 (Burton) amended the water code to require that one year before the release of an updated Water Plan, the Department release draft assumptions and estimates upon which the Water Plan update would be based. The current update is now over a year over due.

*Questions:*

19. What is your timetable for the release of the draft assumptions and estimates specified in law? What is your projected timetable for an update of the California Water Plan?
20. It is the Legislature's intent that the Water Plan be the actual Plan for how California will manage its water resources. How do you propose to integrate an updated Water Plan into CalFed and other water management issues facing California?

Please direct your response to Nettie Sabelhaus, Rules Committee Appointments Director, Room 420, State Capitol, Sacramento, CA 95814.

Thank you for your help.

Peace and friendship,



JOHN L. BURTON

JLB:nscm